ND Information Technology Department
2001-2002 Annual Report

building
Connections

Our mission:

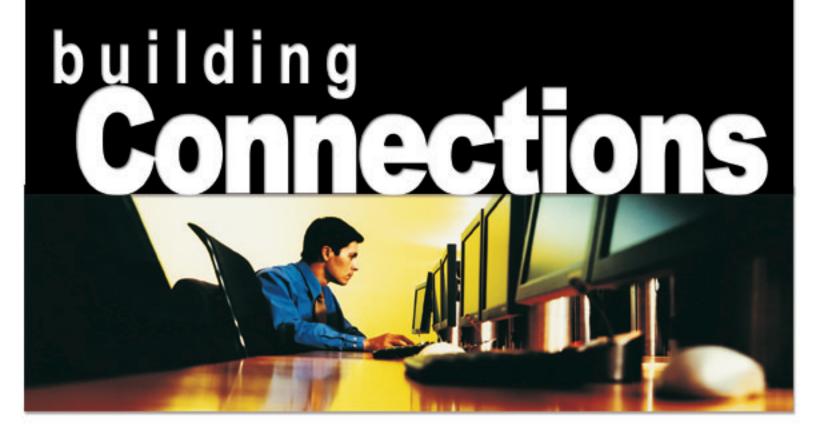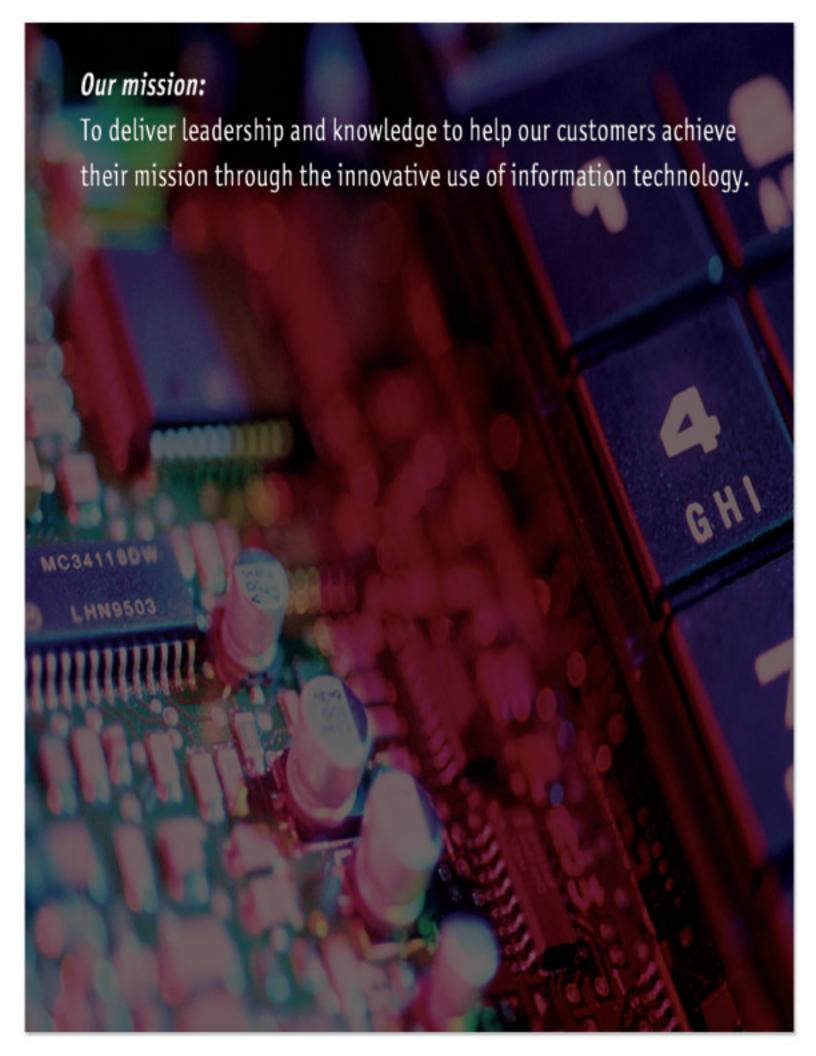To deliver leadership and knowledge to help our customers achieve their mission through the innovative use of information technology.

The 2001-02 annual report Building Connections was produced by the North Dakota Information Technology Department (ITD), Rob Gall editor. It is a response to requirements outlined in Section 8 Chapter 54-59 of the North Dakota Century Code. The report provides an update on the IT oversight process and major IT investments.
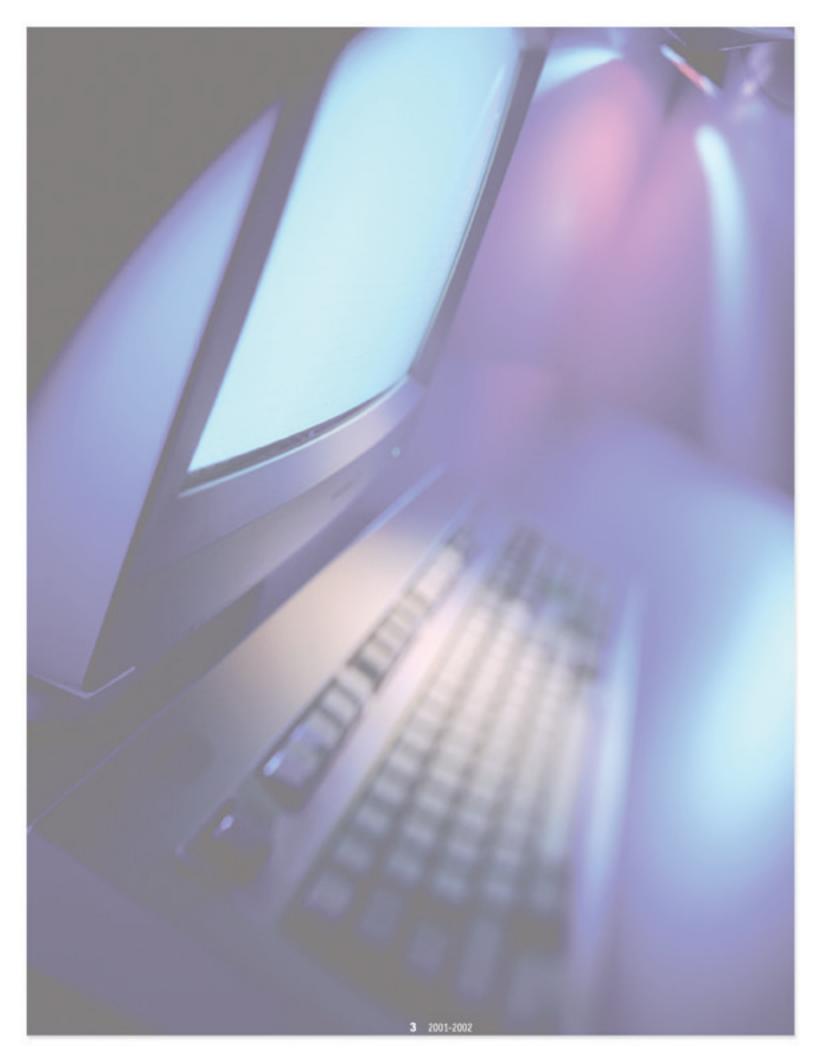
Section I is an executive summary, which describes and quantifies benefits the state is realizing from investments in information technology.

Section II provides an update on the state's IT planning process.

Section III is a status report on the costs and benefits of large projects, including a summary of each project completed in the last 12 months and an update of ongoing large projects.

And Section IV provides an overview of ITD's performance, including a rate comparison and an update on ITD's performance measures.

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IT Investments Pay Big Dividends

Not so long ago, computers were considered an office expense, much like other equipment such as typewriters, copy machines and desks. Times have definitely changed.

The Hoeven Administration has established six pillars for building a better future for North Dakota. Information technology is one of them. Technology can eliminate the distance barrier for North Dakota, enabling us to do business worldwide. Technology links people and businesses, schools and government, in ways never before seen, creating vital new opportunities for all North Dakota people.

Today, information technology (IT) is driving the major functions of business and government and transforming the way organizations perform tasks, provide services and organize staff.

North Dakota is on the cutting edge of this process. In the past decade, the Legislature has approved significant investments in state information technology. At the same time, the Governor's office and the Legislature have created an effective process for developing statewide IT policy and for overseeing IT purchases.

In the past 12 months, the benefits of IT investments and the new planning and oversight processes have really become evident.

In this annual report, we attempt to communicate these benefits. We titled this report "Building Connections," because that phrase effectively characterizes the results of the year's IT activities. Whether through the completion of infrastructure like the statewide network or through better statewide planning and communication processes like enterprise architecture, IT leaders throughout state government are "Building Connections." And, in the process, we are creating more efficient, sensible and convenient programs and services.

The 2000 Statewide Information Technology Plan is North Dakota's overall vision for information technology. The plan is a good reference point for quantifying the benefits of information technology. The 12 IT goals identified in the plan are:

1. Build E-Government
2. Promote "Anytime, Anywhere" Education
3. Encourage Enterprise-wide Solutions
4. Reinvent Government
5. Coordinate Technology Research & Planning
6. Advance Project Management
7. Strengthen State IT Professionals
8. Fund Information Technology
9. Integrate State Broadband Network
10. Modify Public Policy - to reflect the needs of digital security
11. Develop Workforce
12. Enhance State Radio Network

While progress was made on each of the 12 goals this year, several areas stand out and deserve special attention. It is important to note that, while ITD plays a central role in virtually all IT projects, the projects and progress featured in this annual report represent the joint efforts of a large number of agencies.

Enterprise-wide solutions

North Dakota is forging new territory in the area of enterprise-wide solutions. In fact, the state is attracting national attention for our "holistic approach." Key pieces of this holistic approach are the state-wide network, enterprise architecture, and enterprise resource planning.

This year's most notable IT achievement was completion of the state-wide network called STAGEnet. The network provides high-speed, broadband connections to 192 North Dakota communities and 202 schools for a total of 456 sites. STAGEnet provides video connections to 140 classrooms, with an additional 80 classrooms expected by mid-2003.

The state's investments in STAGEnet expanded the infrastructure of local telecommunications providers in rural areas where broadband was not economically feasible for private providers to invest in. These same providers can now offer expanded services like ATM and DSL to non-government entities, thereby promoting local economic development.

The network provides a strong and vital foundation to support North Dakota's comprehensive effort to promote e-government, e-commerce, e-education and to connect citizens to each other and the rest of the world through information technology.

As a result of this investment, the Education Week Technology Counts 2002 survey placed North Dakota first in the percent of teachers using the Internet at 87 percent. We ranked first among schools with Internet access from one or more classrooms at 97 percent. North Dakota tied for second for the most Internet-connected schools at 97 percent, tied for third in the number of students per computer (2.8), and was fourth in students per Internet-connected computer at 4.9. North Dakota is also one of only 12 states to have a "virtual high school."

North Dakota is forging new territory in the area of enterprise-wide solutions. In fact, the state is attracting national attention for our "holistic approach."

Connectivity is one part of the holistic approach. Establishing strategic IT policy and standards is another. This is the goal of the state's enterprise architecture (EA) project. This year marked the beginning of the state's EA process, which will be an ongoing part of IT planning and oversight.

Enterprise architecture has many benefits. It helps ensure that IT investments are ultimately helping agencies fulfill their mission. It connects the selection, creation and implementation of IT solutions to specific business purposes. EA supports better government through improved information sharing, and provides a way to control the growing complexities of technology by setting statewide standards for IT investments. EA assures policy-makers that agencies are creating new systems and eliminating old ones through a consistent process.

Agencies throughout state government, K-12 schools, and the University System are participating in the enterprise architecture process. The groups have crafted and agreed on guiding principles for designing the state's future IT infrastructure.

The third piece of North Dakota's holistic approach is enterprise resource planning or ERP. STAGEnet provides the infrastructure. Enterprise architecture provides uniform IT standards and policies. ERP is a software solution to integrate the university system and government into one seamless administrative computer network. The project is called ConnectND.

ConnectND builds upon the personal and technical "connections" that exist in North Dakota by using a state-of-the-art system that will improve the management of state business. We are the first state in the nation to connect all these entities into one system. When it is complete, ConnectND will offer real time information access to students, employees, faculty, administrators, and suppliers over the Internet.

The state has purchased PeopleSoft's human resource management system, financials, and student administration solutions to replace outdated systems. Implementation of the project began in April, and will take approximately 30 months with completion expected in fall 2004.

The state has hired MAXIMUS consulting firm to help oversee the project. MAXIMUS has developed a four-part implementation and deployment plan, including a two campus pilot project, a pilot state agency project, a complete deployment for all decentralized functions for all 11 campuses and a complete deployment of decentralized functions for state agencies.

Other significant enterprise wide solutions are underway:

- North Dakota took giant strides this year toward implementing a centralized *Electronic Document Management System*, or EDMS, that will manage the storage and access of all electronic and imaged documents in state government. The technology is already saving considerable time and money.

John Hoeven
Governor

STAGEnet enables the state to achieve the goal of providing anytime, anywhere education.

- *PowerSchool* is a promising new student information system hosted by ITD that was launched last year in Bismarck Public Schools as a pilot project. The program provides a cost effective, reliable, state-of-the-art student information system to help schools manage student information, collect data and report information to state and federal agencies. It is scheduled for implementation in 65 school districts statewide.

- Participants representing all North Dakota criminal justice organizations worked together this year to develop a framework for a *Criminal Justice Information Sharing* (CJIS) system. This system will help criminal justice organizations share information and improve public safety.

- Work on a state *Geographic Information Systems* (GIS) is well on its way. GIS is a system of hardware, software, data, people and applications used to analyze data and create maps. ITD reorganized the GIS Technical Committee this year. All agencies involved are pooling time, talent, and data to construct a state GIS "hub," a centralized store of valuable state GIS data. The primary goal of the state GIS Hub is to make data easily available, reduce costs and pool resources for use by all levels of government.

- The North Dakota State Government HIPAA Coordination Project was launched in April 2002. The Department of Human Services started their own project to meet HIPAA requirements one year earlier. The purpose of the project is to ensure that all state agencies impacted by the Health Insurance Portability and Accountability Act (HIPAA) meet the requirements. HIPAA requires the standardization of electronic health care transactions, and also mandates enhancements to privacy and security practices across the health care industry.

The state is investing heavily in enterprise wide solutions and the benefits are significant. These projects are breaking down the barriers between state agencies in order to reduce duplication, share strategic information, improve the collection and availability of data, and increase convenience for customers.

Curtis L. Wolfe
Chief Information Officer

Anytime, Anywhere education

Among the most significant benefits of STAGEnet are the tools it offers K-12 schools. STAGEnet enables the state to achieve the goal of providing anytime, anywhere education. This statewide network facilitates a wide variety of educational functions including interactive video classes, web-based research by students, and the development and delivery of course materials by teachers in all subject areas.

During the 2001-2002 school year, 63 high schools offered courses using video networking. This fall, that number will grow to 105. And by January 2003, 10 more high school sites will be offering courses via video.

The network also supports training for teachers. EduTech (formerly the Center for Innovation and Instruction and Sendit) used video networking to provide a variety of training courses. For example:

- Introductory videoconferencing awareness sessions were held in 33 locations around the state. More than 800 school administrators, technology coordinators, teachers and board members attended.
- 510 school administrators, technology coordinators and teachers representing nearly 200 school districts participated in professional development training for school technology leaders.
- 235 school superintendents and principals from 118 school districts participated in the North Dakota Technology Academy for School Leaders.

Additionally, government entities outside of education are also using video conferencing to host meetings and train employees. Agencies like the state Extension Service are already applauding the quality of the video networking capabilities and the significant travel dollars it saves them.

Build E-Government

In a 2001 study by the Center for Digital Government, North Dakota ranked eighth in digital democracy, up from 38th last year and the most improved state. North Dakota was also among the top five states for the most citizen-friendly web portals in the nation in a recent PricewaterhouseCoopers study.

This year, the state completed 17 new web applications, bringing the total number of state online services to 37. These include online purchasing of birth, marriage and death certificates, reporting "new hires," renewing motor vehicle registrations, submitting bids for Department of Transportation (DOT) projects, obtaining information about licensed contractors, and registering to be a state vendor.

One of the most noteworthy new applications is for online motor vehicle registration renewals, which DOT launched in May. The system accepts three major credit cards and has reduced turnaround time by up to three weeks. The system also provides the ability to change addresses and inquire about special license plates. In July, the first month the new service was offered, DOT completed 1,648 online renewals.

In a 2001 study by the Center for Digital Government, North Dakota ranked eighth in digital democracy, up from 38th last year and the most improved state.

North Dakota achieved many milestones this year in the development and deployment of information technology. These investments are paying big dividends for taxpayers. In many ways, North Dakota is on the cutting edge of using information technology to re-engineer government.

IT is streamlining administrative functions, eliminating distance barriers, saving money, enhancing educational opportunities, improving customer service, and leveraging information and resources. Information technology is Building Connections in North Dakota, and these connections are helping to preserve and improve the quality of life in this state.

John Hoeven
Governor

Curtis L. Wolfe
Chief Information Officer

IT Planning Supports
Sound Investments

For the past six years, all state agencies have participated in a comprehensive IT planning process designed to communicate state agency technology requirements to legislators, ITD, OMB budget analysts, and agency managers.

ITD identified four key goals when it initiated the IT planning process in 1999 in response to legislation:
- Provide a useful planning tool for agencies.
- Provide critical information for the budget process.
- Provide enterprise planning information.
- Provide standards compliance information.

The IT plans identify new projects and provide a vision for the future. However, a bulk of the information covers the activities and related costs of keeping the state's technology systems running. Based on estimates in the 1999-01 biennium, 92 percent of all the state's

technology spending covers maintenance of existing systems, 8 percent is for strategic initiatives. The planning process follows a two-year cycle that begins the summer following a legislative session, runs throughout the budget process and is completed after the Legislature determines appropriations.

This planning process matches an analyst from the ITD planning department with the person responsible for IT planning in each agency. The agency is ultimately in charge of developing the plan, but works closely with the ITD planning analyst throughout the process.

The process continues to be refined. ITD developed an online IT planning system called PlanIT, which made creating and maintaining IT plans easier for agencies. PlanIT also established consistency in the content and format of the plans.

Developing Agency IT Plans

Planning guidelines identify five key steps for developing agency IT plans. This is a highly interactive process. Members of the ITD planning division work closely with agencies to provide consistency between agencies, to seek joint solutions to common problems, and to make sure the state as a whole is making smart, strategic IT investments.

1. *Organization:*
The agency creates a planning team and assigns a project manager. This person attends training sessions offered by ITD and establishes a schedule and budget for completing the plan. The first draft of the plan is due at ITD on March 15. The final version is submitted with the agency budget on July 15. ITD pulls all the agency plans together into an overall statewide IT plan that is published in November just before the legislative session.

2. *Assessment:*
The planning team reviews the agency's business objectives or business plan if they have one. In addition they examine the previous IT plan and budget, and identify discretionary dollars for new initiatives. They examine what the agency is doing well, what needs improvement and how technology can advance the agency's mission and business

objectives. They review the state standards for compliance, and consider social, economic, technological and political trends that might impact the future of the agency.

3. *Defining the vision:*
The planning team uses the assessment to develop a vision for the future based on needs of the agency, areas for improvement and strategic changes. They identify potential IT initiatives, develop overall goals and strategies for the agency's technology investments and prioritize the initiatives.

4. *Creating a plan to achieve the vision:*
Planners identify the top priority projects, estimate the cost of completing them, and create implementation plans that include timeframes. They identify ways to eliminate low-priority services and obtain approval from management and interested stake-holders.

5. *Execution and follow-up:*
In this step, the agency establishes a process for reviewing progress and obtaining funding. They assign responsibility for the tasks needed to implement the plan, evaluate performance measures as needed, and update the operational plans and the overall IT plan regularly.

Assembling the Statewide IT Plan

All agencies have approved plans on file for the current biennium. In the past fiscal year, 77 technology plans for the 2003-05 biennium were submitted by the March 15 deadline. ITD reviews all the plans for completeness and compliance with standards, and gives agencies advice on making strategic purchases. ITD helps agencies prioritize projects and set direction that is consistent with strategic industry and state trends. Agencies refine the plans and submit a final version with their budget. As of July, 28 final plans for the 2003-05 biennium had been approved.

In examining the agency plans, ITD looks for common themes and identifies possible joint projects, such as the Geographic Information System (GIS) project. Using this information, ITD creates the state-wide IT plan. The summary document includes the IT vision, goals and strategies, communicates the current and future direction of the state's IT architecture, identifies major statewide initiatives that involve several agencies, and reviews past accomplishments. A supplemental document includes each agency plan in detail.

Legislative Committee

The Information Technology Committee plays a vital role in overseeing the state's technology investments and providing long-term direction for state government in this critical area. Current members of the committee are Senators Larry Robinson, Randy Schobinger and Ken Solberg and Representatives Robert Huether, Keith Kempenich, Bob Skarphol and Robin Weisz.

The committee is responsible for studying the technological capacity andneeds of the state and making recommendations regarding current or prosposed IT programs.

Large Project Reporting Process

In addition to the agency IT planning process, the Legislature instituted an oversight process for all IT projects that involve $250,000 in one biennium or $500,000 over the life of the project. These projects are identified as large projects. The Large Project Planning process is outlined on page 9, which also includes a summary of the large projects completed in the last 12 months.

Benefits of the IT Planning Process

The IT planning requirements initiated by the Legislature have been valuable for state government and are resulting in better management of the state's IT investments. The process helps align agency IT invest-ments with the business goals and functions of the agency. It has helped build better relationships between ITD and agencies, which leads to more informed decision-making and investments.

The IT planning process promotes better asset management, and has fostered more awareness of formal project management techniques designed to control costs and improve the results of large projects. ITD reviews major agency technology purchases to ensure they were planned for and identified in the agency's IT plan and comply with state standards.

Most importantly, the information generated in the IT planning process reveals opportunities for joint initiatives, thereby increasing efficiencies. This is evident in the large number of statewide coordinated initiatives featured in this report including STAGEnet, Electronic Document Management, PowerSchool, Geographic Information System and the Enterprise Resource Planning project.

State completes record year
for Major IT Investments

The Legislature instituted an oversight process for all IT projects that involve $250,000 in one biennium or $500,000 over the life of the project, hereby identified as large projects.

All large projects are identified in the IT planning process. The oversight process produces five main monitoring tools:

1. Business Case that outlines the reasons for performing the project ncluding a cost/benefit analysis.
2. Project Plan that identifies the project's scope, schedule, and other items critical to successfully managing the project such as plans for communications, risk management and change management.
3. Quarterly Status Reports that provide an update on any changes in the project, a current schedule, a comparison of budgeted vs. actual dollars spent and an explanation of any discrepancies, and a list of accomplishments or outstanding issues.
4. Summary Status Reports which consolidate all the quarterly status reports into one document for the IT Committee.
5. Post Project Reviews that identify lessons learned and assesses whether benefits in the business case are being met.

The past fiscal year was a significant one for completing large IT projects in state government. The 14 large projects completed are already providing citizens many benefits. The statewide network puts North Dakota on the map as one of the most connected rural states in the nation. Many of the other completed projects were in the area of e-government. They support functions such as on-line bidding for state construction projects, on-line information about seeds for the agriculture industry, and online information and applications for child nutrition programs.

Seven of the 14 projects were completed on or under budget, resulting in a total savings of $1.8 million. Of the projects completed over budget, the total overrun was $175,995.

These investments are helping state agencies operate more efficiently, while making government services and information more accessible to citizens everywhere, any time, day or night.

Student Loans On-line
Bank of North Dakota (BND)
The Bank of North Dakota offers a variety of loan programs to help students and parents finance college education. This project created online access to the loan programs and services via the BND website. The project features a business-to-business system between BND and the 11 state colleges and universities. BND received a new web design and security framework, through which all the core loan programs are available.

Completed: Aug. 12, 2001
Budgeted: $1,755,788
Actual: $1,824,694

Roadway Information Management System (RIMS)
Department of Transportation
This project upgraded DOT's Roadway Information Management System to provide online access to information on past, current and future construction projects and plans. The new system provides web access to information including financing, scheduling, bidding, querying and analyzing geographic data. It supports electronic bidding and estimates. The project reduces input time, reduces staff time relating to the bidding process, reduces redundancy by making all information relating to a specific highway segment available and supports faster documentation of contract payments.

Completed: Aug. 30, 2001
Budgeted: $917,216
Actual: $769,646

PowerSchool Simplifies K-12 Information Management

North Dakota schools are turning up the power. PowerSchool is a promising new student information system being implemented in school districts statewide. The program provides a cost effective, reliable, state-of-the-art student information system to help schools manage student information, collect data and report information to state and federal agencies.

PowerSchool frees school districts from growing management burdens, so teachers and school leaders can focus on their top priority: educating children.

The Bismarck Public School system piloted the system during the 2001-2002 school year. The pilot identified a number of issues and weaknesses that have been addressed and incorporated into an update that is being released this fall.

Until now, schools have been running a variety of systems to manage student information. As technology has changed and reporting requirements increased, schools have been seeking help to run and maintain computer systems.

PowerSchool offers an affordable solution. School districts pay $10 per student per school year plus initial data conversion costs. ITD hosts the infrastructure and maintains the core system. Staff from EduTech, formerly known as the Center for Innovation and Instruction and SendIt, will manage all future PowerSchool implementation activities and provide training for administrators, support staff and teachers.

PowerSchool allows teachers and administrators to manage student records online with ease. Tasks related to attendance, grades, and class scheduling are automated. Grades are entered once by the teachers into an online database system that can then be used to generate report cards and transcripts. Since it is web-based, parents can access their children's information any time of day.

According to Cheryl Vedoe, Apple's Vice President of Education Marketing, "With this statewide implementation North Dakota is leading the way for the rest of the country in using technology to manage schools and information more effectively."

Belcourt, Beulah, Carson, and Stanley school districts will be using the new system when school starts this fall. As of July 31, 59 districts are scheduled for conversion to the student information system, four per month.

Organizations involved in the project include PowerSchool (a division of Apple computer), ITD, EduTech, K-12 public schools, Bismarck Public Schools, the Department of Public Instruction, and the Board of Vocational and Technical Education.

To date, the total project has cost $168,000, which includes equipment purchases, staff and PowerSchool implementation costs for the Bismarck pilot project.

Drivers License Testing System
Department of Transportation (DOT)
This project replaced a nine-year-old driver's license testing system that was becoming difficult to maintain. The new system has many benefits. Test questions are selected randomly, eliminating cheating.

The tests are available in six languages. Administrators can distribute test revisions immediately to all sites. All units have touch screen and audio capability, which allows DOT to administer multiple audio tests at once. The administrator also reviews tests each night to ensure against possible fraud.

Completed: Feb. 2, 2002
Budgeted: $450,000
Actual: $316,056

Vehicle Registration and Title System (VRTS)
Department of Transportation (DOT)
This project replaces a mainframe system with a windows-based, client-server application that will integrate the business processes within Motor Vehicle and provide storage capacity for document imaging. The new system has improved customer service, eliminated seven FTEs, and improved efficiencies in the Motor Vehicle Department.

The new system allows Motor Vehicle to give walk-in customers their registration cards and, in Bismarck, their titles. The system immediately updates the central database, which provides more accurate and timely information to law enforcement, Motor Vehicle employees, and the branch offices. Applications are imaged immediately upon receipt, so employees can quickly answer customer inquiries regarding the status of their requested changes or pending application. The system also processes checks, deposits them in the bank, and processes renewal cards automatically. Previously renewals were manually entered.

Completed: Oct. 14, 2001
Budgeted: $3.360,774
Actual: $3,429,341

EDMS Saves Time, Money, Space

North Dakota took giant strides this year toward implementing a centralized electronic document management system, or EDMS, that will manage the storage and access of all electronic and imaged documents in state government.

ITD partnered with the Tax Department to develop the EDMS infrastructure. It includes document management, imaging, electronic forms, workflow, forms processing, COLD (computer output to laser disk), and ERM (enterprise report management).

The Tax Department used EDMS to process and file the paper returns for 2001 individual taxes and for all sales tax returns. The technology helped save considerable time and money.

EDMS helps the agency validate the more than 400,000 individual income tax returns it receives annually. With EDMS, the number of returns validated manually dropped to less than 200,000, which reduced the staffing needs for manual validation by four FTEs. The temporary staff hours required for processing 2001 tax returns also dropped by nearly 4,000 hours.

EDMS also eliminated the validation process for more than 28,000 sales tax returns.

With EDMS, the Tax Department processes returns more effectively and generates tax refunds significantly faster. Processing returns for tax year 2000 was completed by the end of June. Processing returns for 2001 was done by the end of May - one month earlier.

Prior to EDMS, the Tax Department was looking to rent offsite storage space costing $63,000 per year because of growing paper storage requirements. EDMS eliminates paper storage dramatically, thereby saving this $63,000 cost. Staff now image documents rather than spending time retrieving and adding to paper files.

EDMS also allows the agency to better serve taxpayers. Prior to EDMS, Tax Department staff had to manually retrieve a taxpayer's record in order to answer an inquiry. This typically meant a one-day delay.

Today, with the new document imaging system, all tax records are available instantaneously, which means no more waits or callbacks.

Additionally, out-of-town collectors and field auditors can access returns through the state network rather than waiting for a copy of the paper return to be mailed. EDMS allows Tax Department staff with proper security access to annotate documents so others who view the image can see comments made by others.

The budgeted and actual cost of developing and implementing the EDMS system was $366,995.

Due to the overwhelming success of EDMS in the Tax Department, ITD is eager to implement EDMS throughout state government. Other agencies using or planning to use EDMS are the Department of Transportation, Job Service, Secretary of State, ND Public Employees Retirement System (PERS), Commerce, Human Services, Workers Compensation, Insurance, Health, Financial Institutions, and the Retirement and Investment Office. Implementing EDMS statewide will help all agencies create, capture, store, process and retrieve information cheaper and more efficiently. Other benefits include:

- Immediate access to information.
- Improved service to customers and citizens.
- Common interface for storing and accessing information.
- Ability to track information for regulatory compliance.
- Access to records regardless of software requirements.
- Better security for sensitive or confidential information.
- Up-to-date information to support better decision making.

Rick Clayburgh
Tax Commissioner

Seed Information System
Seed Department
This project replaced the Seed Department's DOS-based business applications with a web-enabled, windows-based system that makes a wealth of departmental information available online. North Dakota growers, seed distributors, industries and researchers have quicker access to testing and certification results via the Internet. Staff benefit by less duplication in work, paperwork and reduced phone time. Thirty-five regular customers are using the on-line information and, based on survey results, customers appreciate the ability to receive this data electronically any time day, night or weekend. The new system allows the department to perform a host of functions including collecting seed tax, certifications, licensing, and tracking samples in minutes versus days by the previous system. One of the best benefits of the new system is the ability to help growers find seed records that cross years, crops, varieties, etc. in a matter of seconds.

Completed: Feb. 15, 2002
Budgeted: $485,000
Actual: $523,522

Video Conferencing
Supreme Court
This one-year pilot project installed interactive television systems in the South Central Judicial District to enhance the delivery of judicial services to rural areas. The system allows defendants, litigants and witnesses to appear in court via video conferencing from remote sites. The benefits are numerous including better security and reduced transportation costs for incarcerated defendants and reduced travel time and costs for participants. Additional sites will be considered in the future. The project ended up under budget because fewer sites were involved in the pilot than initially planned.

Completed: Aug. 1, 2001
Budgeted: $568,213
Actual: $101,545

Mobile Data Terminals Improve Safety

North Dakota Highway Patrol

The Mobile Data Terminal Project is paying big dividends for public safety in North Dakota. This year, an additional 20 North Dakota Highway Patrol cars were equipped with the mobile data terminals (MDT), bringing the total number of units to 95.

Mobile data terminal equipment allows an officer to communicate directly with local, state, and national databases through a computer in his/her patrol car. The technology eliminates the middleman (dispatcher), provides faster access to databases with more detailed police information, and increases the safety of officers on the road.

A major benefit of the North Dakota MDT project is a significant increase in patrol time. The vehicle-based computers dramatically decrease paper work for officers, freeing them to spend more of their shifts on patrol.

During the first phase of this project, 70 mobile data units were installed in Highway Patrol vehicles. As a result, road time increased by 59 minutes per officer per day. Over a biennium, this amounts to approximately 36,000 hours of time reallocated to road patrol vs office hours, which if translated into salaries would cost $780,000.

Completion of phase II drives these numbers up to 46,000 hours of increased patrol time or the equivalent of $1 million per biennium in salaries.

The reduction in data entry time also allowed NDHP to eliminate one temporary position.

The project cost $220,000 for terminals and $151,676 for tower upgrades, which is more than $100,000 under budget.

In addition to the increase in patrol time, giving on-duty officers up-to-the-minute reports of criminal activity is a major benefit of this project that is difficult to quantify in dollars and cents. Here is one story that illustrates the value of the communication system:

On March 9th, at approximately 8:20 p.m., Trooper Aaron Enzminger was operating stationary radar about 10 miles east of Jamestown. He stopped a vehicle for speeding, arrested the driver for driving under suspension, and transported him and two passengers to the Law Enforcement Center in Jamestown.

While the subjects were posting bond to be released, the trooper received an APB through his mobile data terminal from the Bismarck Police Department in reference to individuals passing counterfeit currency. The description matched perfectly the three apprehended individuals. The troopers hurried back to the Law Enforcement Center and intercepted the individuals as they were preparing to leave.

The troopers questioned and arrested the three, and recovered $1,300 worth of merchandise. Information they obtained through this arrest also led to a motel room in Fargo where an additional $3,000 to $4,000 worth of merchandise was recovered.

In addition to the NDHP, at least seven local law enforcement agencies are using the system, and piggyback on the state towers and infrastructure.

Road time increased by 59 minutes per officer per day. Over a biennium, this amounts to approximately 36,000 hours of time reallocated to road patrol vs office hours.

Criminal Justice Information Sharing Plan
Information Technology Department
This project produced a framework for a Criminal Justice Information Sharing (CJIS) plan that will use state-of-the-art information management technologies to coordinate the efforts of all North Dakota criminal justice organizations and thereby improve public safety. The framework includes data standards, a common technical infrastructure, and an implementation plan.

When fully implemented, the CJIS will provide an effective information system to capture and share the complete, accurate and timely information needed to make quick, informed decisions across jurisdictional and organizational boundaries statewide. Federal funds supported this planning phase, which was completed $85,000 under budget.

Completed: July 31, 2002
Budgeted: $310,000
Actual: $225,000

Statewide Network Connects North Dakota to World

The most significant large project completed this year is the statewide broadband network. The network provides high-speed, broadband connections to 192 North Dakota communities and 202 schools for a total of 456 sites.

The network provides a strong foundation to support North Dakota's comprehensive effort to promote e-government, e-commerce, e-education and to connect citizens to each other and the rest of the world through information technology. The project is a vital investment in the future of North Dakota.

The infrastructure and governance that maintains and guides its future has been named STAGEnet, Statewide Technology Access for Government and Education.

The Legislature identified three major goals for the project:
1. To deploy a statewide high-speed broadband network to meet the current and future needs of government and education.
2. To achieve statewide telecommunications rate reductions through postalized service for government and education. A postalized rate charges the same rate for the same services statewide, regardless of location.
3. To promote economic development by increasing the availability of broadband services for residential and private business needs throughout all geographic areas of North Dakota.

STAGEnet is already delivering on these goals.

STAGEnet provides broadband connectivity, Internet access, foundations for video conferencing, and other networking services to state and local government, primary and secondary education, colleges and universities, and libraries across the state.

Prior to the state network, most entities used either 56 K frame-relay or T-1 frame-relay connections, which are slower than today's standards, have limited capacity and can't support voice, data and video over the same connection. The cost for the T-1 connections ranged from $300 to $2,200, depending on location.

STAGEnet provides video connections to 140 classrooms, with an additional 80 classrooms expected by mid-2003.

Today, STAGEnet is providing far superior connections to dozens of rural areas at prices they could not have imagined. STAGEnet provides a high-speed, high capacity ATM T-1 connection for the postalized rate of $484, regardless of the location. A video enabled ATM T-1 costs $520. Entities pay a fee based on this rate, but the total price varies depending on service and equipment configurations.

STAGEnet provides broadband connectivity, internet access, foundations for video conferencing, and other networking services to state and local government, primary and secondary education, colleges and universities, and libraries across the state.

STAGEnet provides video connections to 140 classrooms, with an additional 80 classrooms expected by mid-2003. This infrastructure is vital to the creation and expansion of video education.

The number of endpoints will double over the next 18 months, ultimately putting 80 percent of the population within 30 minutes of a video site. By fall, STAGEnet will support online scheduling of video classes and conferences, and by February 2003, it will have provisions for ad hoc conferences and the ability to connect with video sites outside of STAGEnet.

The state's investments in STAGEnet also expanded the infrastructure of local telecommunications providers in rural areas where broadband was not economically feasible for private providers to invest in. These same providers can now offer expanded services like ATM and DSL to non-government entities, thereby promoting local economic development.

The project's initial infrastructure cost $2.4 million. The network will reach another 25 libraries this fall. Continued deployment will expand connections to remaining K-12 schools and integrate connections to community networks. ITD is also promoting the expansion of STAGEnet to fiber optic cabling, which can be very cost effective over short distances and offers almost limitless capacity and options for use.

Automated Child Support System Improves Collections

Department of Human Services

The Child Support Enforcement program is designed to secure financial support from legally responsible parents so families and children receive the support they deserve, which then reduces demands on government programs.

The accumulated unpaid child support for North Dakota exceeds $185 million since the federal program began in 1975. This includes $91 million assigned to the state as a condition for receiving money for public assistance programs.

In the 1980s and '90s, federal and state governments created child support mandates to improve the effectiveness of the program. The Fully Automated Child Support Enforcement System (FACSES) is the result of a federal mandate requiring all states to have a computerized system capable of establishing, enforcing, monitoring and reporting child support enforcement activities internally and in cooperation with other states and foreign countries.

North Dakota's child support project is scheduled to be completed by June 2003 at a cost of $1.8 million.

With FACSES, total collections continue to increase. Collections topped $84 million in 2001, a $7 million increase over the preceding year.

Currently, about 160,000 parents and children receive services through North Dakota's Child Support Enforcement program, both in and out of state. Federal reports indicate North Dakota's system is performing well:

- North Dakota collects $4.61 for every $1 it spends on collections. The national average in 2000 was $4.21 to $1.
- North Dakota was fourth in the nation in collecting current support with a 69 percent collection rate.
- Paternities have been established for 84 percent of the children born out of wedlock. Support orders exist on 80 percent of the open cases.
- Collections are made on 55 percent of the cases where arrears were owed.

In addition to improving collections, the system has many other benefits.

Better Customer Service

- Customers have access to payment information 24 hours a day via the Internet. FACSES enables all customer service personnel to see the status of each case and provides an up-to-date report to customers.

- The state has three customer service representatives dedicated to responding to telephone, email, and letters as well as walk-in traffic.
- Employers have a number of options for filing "new hire" reporting requirements, including online or by disc, tape, or paper.

With FACSES, total collections continue to increase. Collections topped $84 million in 2001, a $7 million increase over the preceding year.

Improved Consistency

- All the partners involved in providing child support services use FACSES, including the state Child Support Enforcement Division, eight regional child support enforcement units, and 53 Clerk of Court offices.
- FACSES automates the child support enforcement process from beginning to end, including the establishment of paternity, establishing and enforcing support orders, and reviewing and adjusting court orders.
- FACSES monitors required time frames, takes certain actions automatically and alerts case workers when other actions are required.

- FACSES provides electronic access to required forms and documents.

- The system stores information regarding the parties, the civil file, and case actions.

Reduction in Staff

- Counties reduced their staffing levels because FACSES handles all payments that were previously the responsibility of Clerks of Court.

In the future, the Child Support Enforcement office will enhance FACSES with additional services including expanded customer access to online information; an online database of laws, guidelines, instructions, administrative code and policy; and electronic payment capabilities.

North Dakota collects $4.61 for every $1 it spends on collections. The national average in 2000 was $4.21 to $1.

TANF, Medicaid Eligibility System
Department of Human Services

This project enhanced the Temporary Aid for Needy Families (TANF) system to provide capabilities for determining Medicaid eligibility for all children and families. The project created a seamless system for caseworkers to use. The new system was developed using a leading-edge client-server toolset making it more efficient and much easier to maintain. As a result, ITD and DHS can turnaround policy and regulation changes much quicker – a key advantage when considering the complex and ever-changing federal eligibility rules.

For example, maintaining the outdated mainframe-based system to interface with the Medicaid and Child Support Enforcement systems required complex programming. The new system eliminates this problem. As a result, maintenance is much faster, changes are in place quicker, and the backlog of work is greatly reduced.

The system provides numerous benefits for caseworkers that save time and money. It put volumes of information about eligibility rules and policies just a mouse click away, which saves an enormous amount of staff time. Previously, caseworkers had to manually search through paper manuals. The new system provides more consistency in determining eligibility. And, it is intuitive and easier to learn, which reduces training costs.

ITD managed the system development of this project in conjunction with the Department of Human Services, and completed it on time and $1 million under budget.

Customers are also benefiting from features of the new system including an improved notification process, an interactive interview that significantly reduces paperwork, and new processes designed to promote client self-sufficiency.

The project was paid for in part by $5 million in federal funds allocated as part of welfare reform. The returns on investment identified in advance of this project are being realized, and the break-even point may be sooner than first anticipated.

The goal for the future is to integrate into the new system the programs needed to eliminate the old system entirely including Food Stamp eligibility, remaining Medicaid processes, the Children's Health Insurance Program and Energy Assistance. Some complex interfaces continue to exist and caseworkers at County Social Service Boards still have to work two systems to serve one family. Funding to complete this phase of the project does not exist.

ITD managed the system development of this project in conjunction with the Department of Human Services, and completed it on time and $1 million under budget. The development of the system cost $7.1 million, which is $6.7 million less than the only private bid received through the request for proposal process. The ITD system also has additional features that were not included in the RFP. If a vendor would have developed the system with the same functionality, the total estimated cost would have approached $17 million.

Completed: August 2001
Budgeted: $8,139,048
Actual: $7,158,880

On-Line Access to Child Nutrition Programs
Department of Public Instruction (DPI)

This project creates a comprehensive, web-enabled system that provides information to local school districts and other DPI users for the following federal programs: National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, Summer Food Service Program and Food Distribution Programs.

The project is funded entirely by USDA funds. The e-government systems will be accessible 24/7 from any internet connection. The system will support online-applications and claims, site-based reporting and improved customer service. The project is being developed in two phases, phase one is complete.

Phase 1 Completed: February 15, 2002
Phase 2 Scheduled Completion: September 30, 2002
Budgeted: $391,120
Actual: $391,120

Supporting better business Applications Statewide

The Legislature created the state Information Technology Department in 1999, and charged the agency to provide statewide leadership on the design and deployment of information technology as it relates to workforce development, economic development, public policy and telecommunications infrastructure.

ITD is responsible for planning and implementing wide area network services for all state agencies, counties, cities and school districts. The agency provides computer support services, software development, statewide communications services, standards for electronic access to government services, technology planning, process redesign and quality assurance.

ITD aspires to be recognized as an innovator and leader in the development and use of e-government, in the deployment of state-wide IT infrastructure and for promoting and supporting innovative education and workforce development opportunities across the state.

ITD Executive Management Team:
Back row: L-R Ardy Pfaff, Vern Welder, Curt Wolfe, Jerry Fossum
Front: L-R Mike Ressler, Nancy Walz, Dean Glatt, Dan Sipes

Management Philosophy

As mentioned previously, Gov. Hoeven has established six pillars for building a better future for North Dakota. Information technology is one of them. In supporting the governor's goals, state CIO Curt Wolfe is on a mission to make ITD the best, most efficient, most resourceful state information technology department in the nation. The agency completes an annual, comprehensive business plan to update business objectives, measure progress and identify opportunities for improvement. It is one of the few state agencies to complete such an exhaustive annual plan.

In the past four years, ITD has changed dramatically from essentially a tech-service department to a leadership agency that plays a key role in managing the state's IT investments.

Performance Measures Provide Strategic Direction

Managing such a dramatic organizational changes has been no small task. In addition to improved business planning and project management, ITD has also begun to implement a performance measurement program that gauges progress and provides focus for accomplishing business strategies.

In the past, the use of performance measures typically focused on financial results. ITD has taken a broader approach and is developing measures that serve as "vital signs" of the organization. In adopting the "balanced scorecard" approach, ITD focuses its measures on four

areas: customers, internal business, innovation & learning, and financial. The right measures, when used effectively, will create a powerful link between ITD's business strategies, resources, and processes.
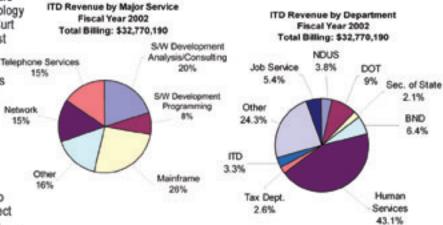
Appendix B lists the performance measures ITD uses today. A good performance measure is a measure that gets used. Recognizing that, ITD's list of measures changes as the process evolves and accomplishments are made.

ITD Rates: How do we compare?

The Information Technology Department's generates revenues by providing services and billing customers for these services. The agency operates from a revolving cash fund. Each month, bills are generated for the services provided the previous month. These services are divided onto three separate billings: Data Processing, Telecommunications, and Micrographics.

ITD tracks and monitors the cost and the revenue for each service to ensure that one service is not subsidizing another. The federal government does not allow state central service agencies to accumulate an excess of cash. Regulations establish specific standards for determining costs for services that are included in federally funded projects implemented through agreements with state and local governments. ITD is allowed to accumulate twice the monthly expenditures for providing a given service. If ITD accumulates more than this, the state may be responsible for returning any overage to the federal government. Each month, ITD monitors its balances and adjust the rates accordingly.

In April of every even numbered year, ITD establishes budget rates for the upcoming biennium. These rates will generally not increase during the two-year period because agencies do not have the ability to request additional funds. However, if the cost for providing a service decreases the rate will be reduced. In the last five years, rates for most of ITD services have gone down.

ITD Revenue by Major Service
Fiscal Year 2002
Total Billing: $32,770,190

- Telephone Services 15%
- S/W Development Analysis/Consulting 20%
- Network 15%
- S/W Development Programming 8%
- Other 16%
- Mainframe 26%

ITD Revenue by Department
Fiscal Year 2002
Total Billing: $32,770,190

- Job Service 5.4%
- NDUS 3.8%
- DOT 9%
- Sec. of State 2.1%
- Other 24.3%
- BND 6.4%
- ITD 3.3%
- Tax Dept. 2.6%
- Human Services 43.1%

ITD provides 74 unique services and each service has an individual rate. The agency monitors what other entities are charging for similar services in an effort to maintain quality services at a fair price. The following are rate comparisons for 16 ITD services. In fiscal year 2002, these 16 services generated approximately 73 percent of ITD's total revenue.

Service: Systems Analyst / Programmer

ITD employs 109 systems analysts and programmers who are dedicated
to writing computer applications for agencies. Currently 13 contract programmers also assist the development staff. Systems analysts provide analysis, design and implementation of central computer, client server and web-based systems. Programmers develop and maintain the computer program code, which includes writing code, testing, maintenance, and documentation.

ITD charges customers in increments of six minutes (1/10th of an hour). ITD only charges for time they are actually working on a project, which excludes internal meetings, vacations, sick leave, training, etc. In fiscal year 2002 the average chargeable time per employee was 72 percent. Revenue from this service produced 25 percent of ITD's total revenue for fiscal year 2002.

ND ITD Rates

Systems Analyst:	$55.60 / hr
Programmer:	$51.60 / hr

Contractors hired to supplement ITD
ITD currently pays from $33/hour to $165/hour based on the skill-set needed. The average rate of all contractors as of June 30 was $71.53/hour.

South Dakota – Bureau of Information Technology
Software Developer:	$46.00 / hr
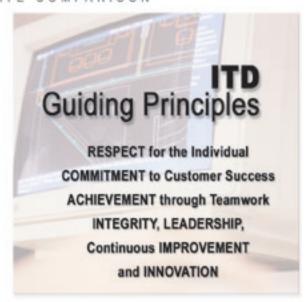
South Dakota assigns developers to an agency or a group of agencies and bills out 100 percent of their time. This allows them to lower the hourly rate and still generate the necessary revenue needed to recover all of their costs.

Montana – Information Technology Services Division
Agencies hire their own developers as employees or they contract for the service from local providers.

Minnesota – Office of Technology
Agencies hire their own developers as employees or they contract for the service from local providers.

ITD Guiding Principles

RESPECT for the Individual

COMMITMENT to Customer Success

ACHIEVEMENT through Teamwork

INTEGRITY, LEADERSHIP,

Continuous IMPROVEMENT

and INNOVATION

Service: Central Computer CPU Rate

Many agencies run their computer applications on ITD's central computer processor. ITD recovers the cost of the hardware, software and human resources by charging for four different Central Processing Unit (CPU) services. The processor records measurable units or CPU seconds for these services.

Rates for central computer services are difficult to compare because each processor has its own processing speed (amount of time needed to run a computer transaction) and unlimited possibilities exist for the expenses that are recovered by this rate. Most state governments charge some sort of CPU rate, but many other rates can be created to recover the costs of operating a data center.

Revenue from this service resulted in 23 percent of ITD's total revenue for fiscal year 2002.

ND ITD Rates
Batch CPU:	$.70 / second
CICS CPU:	$.70 / second
ADABAS CPU:	$.75 / second
TSO CPU:	$.70 / second

ITD operates an IBM 9672 Model R36 mainframe computer.

South Dakota – Bureau of Information Technology
Batch CPU:	$.28 / second
CICS CPU:	$.34 / second

South Dakota operates an IBM 9672 Model RC4. This computer runs about 67 percent slower than ITD's computer. If South Dakota used ITD's computer and wanted to generate the same revenue, they would have to increase their rates by 300 percent.

Montana – Information Technology Services Division
Batch CPU:	$1.12 / second
CICS CPU:	$ .23 / second
ADABAS CPU:	$.61 / second
TSO CPU:	$1.38 / second

Montana operates an IBM 9672 Model RC6 computer, which runs about 13 percent slower than ITD's computer. If Montana used ITD's computer and wanted to generate the same revenue, they would have to increase their rates by 115 percent.

Service: Network Access

State agencies, K-12 schools, county government and some city governments access the wide area network. This provides the ability to communicate with people outside of the facility they reside in via e-mail and accessing the internet. ITD recovers the cost of providing this service in two categories: access and bandwidth.

The device fee is charged to all workstations that have access to the wide area network via a high-speed connection (a 56K circuit or greater). The bandwidth fee is based on the amount of bandwidth allocated, such as DSL, T-1, or greater.

Revenue from this service resulted in 15 percent of ITD's total revenue for fiscal year 2002.

ND ITD Rates
Device Fee: $28.40 / device / month
DSL Service: Actual cost (ranges from $40-$120)
ATM T-1 Service: $840.00 / month
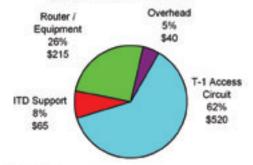
South Dakota – Bureau of Information Technology
Device Fee: $21.00 / device / month
User Fee: $54.00 / user / month
DSL Service: $125.00 / month
Frame relay T-1 Service: $495.00 / month
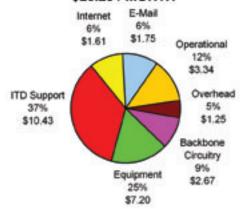
Montana – Information Technology Services Division
Device Fee: $72.60 / device / month
DSL Service: $360.00 / month
ATM T-1 Service: $1,140.00 / month

The pie charts reflect the cost of the individual components that make-up the service.

T-1 CONNECTION STATE AGENCIES
$840 / Month - ATM

Router / Equipment 26% $215
Overhead 5% $40
ITD Support 8% $65
T-1 Access Circuit 62% $520

DEVICE CONNECTION (WAN)
$28.25 / MONTH

Internet 6% $1.61
E-Mail 6% $1.75
Operational 12% $3.34
Overhead 5% $1.25
Backbone Circuitry 9% $2.67
Equipment 25% $7.20
ITD Support 37% $10.43

Service: Telephone Service

ITD recovers the cost of providing telephone service by charging customers for each telephone installed. The rate includes all telephone analyst time, the cost of the circuit, the telephone and any repairs or upgrades needed after it is installed. Better phones (speaker or display phones) cost slightly more, as does voice mail.

Revenue from this service resulted in 7 percent of ITD's total revenue for fiscal year 2002.

ND ITD Rates
Telephone Circuit: $21.00 / device / month
Speaker Function: $2.00 / month
Display Function: $1.00 / month
Voice Mail (unlimited): $3.00 / month

South Dakota – Bureau of Information Technology
Telephone Circuit: $13.00 / device / month
Speaker Function: Agency pays for the telephone, actual cost
Display Function: Actual Cost
Voice Mail: Actual Cost

Montana – Information Technology Services Division
Telephone Circuit: $9.00 / device / month
Speaker Function: $11.00 / month
Display Function: $7.00 / month
Voice Mail (3 minute limit): $5.00 / month
Voice Mail (6 minute limit): $8.00 / month
Voice Mail (8 minute limit): $10.00 / month

Other Telephone Companies – Business Line
Qwest: $40.31 / circuit / month, customer buys telephone
Polar Communications: $26.85 / circuit / month, customer buys telephone
Consolidated Communications: $40.31 / circuit / month, customer buys telephone
Souris River Telephone: $27.52 / circuit / month, customer buys telephone

Service: Long Distance

ITD purchases long distance service from AT&T and recovers the cost of providing long distance service by charging customers for each minute of long distance. Revenue from this service resulted in 3 percent of ITD's total revenue for fiscal year 2002.

ND ITD Rates
In-State: $.06 / minute
Out-of-State: $.06 / minute
800 Service: $.10 / minute

South Dakota – Bureau of Information Technology
In-State: $.07 / minute
Out-of-State: $.08 / minute
800 Service: $.14 / minute

Montana – Information Services Division
In-State: $.135 / minute
Out-of-State: $.135 / minute
800 Service: $.10 / minute

Appendixes

Appendix A: Active Large Project Summary

Project / Agency	Project Description	Project Duration	Project Budget
ConnectND (ERP) *Office of Management & Budget*	The State of North Dakota has invested in PeopleSoft's HRMS, Financials, and Student Administration solutions to replace their legacy systems. The State and University System are participating jointly in this project. The implementation work is to be executed over approximately thirty calendar months beginning 4/02 and completed in 3rd quarter 2004. MAXIMUS has developed a four-part implementation and deployment plan, including; a two campus pilot project, a pilot state agency project, a complete deployment for all decentralized functions for all eleven campuses and a complete deployment of decentralized functions for state agencies.	04/02 to 10/03	$31,000,000
Statewide Geographical Information System (GIS) *Information Technology Dept.*	This project develops the software and hardware infrastructure for a GIS data repository or "hub" that will be used by state agencies and other government and business organizations. The GIS data hub will provide a common database of GIS data; specialized and enterprise-level applications can be built upon the data hub.	8/01 to 6/03	$750,000
Student Loan E-commerce *Bank of North Dakota*	This project will replace the Student Loan North Dakota lender and guarantor systems providing a significant decrease in processing costs, substantial increases in customer service and efficiencies in loan processing. The project consists of multiple phases, of which, phases 1-3 are complete.	12/01 to 08/02 Phase 4.1	$1,217,350
	Phase 4 will be completed in five parts. Phase 4.1 began December 3, 2001 with Phase 4.5 scheduled to be completed July 15, 2003. This effort is the replacement of student loan software, moving processing from the 390 mainframe to the AS400. The guarantor system is targeted for completion by January 7, 2003. Additional work will complete the lender system by July, 2003. Estimates are based on information in use cases at this time. Any changes in requirements may cause variances in completion dates. A development plan that spans one and a half years is subject to scope changes related to changes in business processes as well as technology.	08/02 to 01/03 Phase 4.2 & 4.3	$1,700,000
Cash Management *Bank of North Dakota*	Add web access and Positive Pay components to existing Cash Management System. These components provide for web delivery of account data and for positive pay/reconcilement applications for BND customers.	10/01 to 05/02	$395,099
Construction Automated Record System (CARS) *Department of Transportation (DOT)*	Replacement of the present CARS system. This is a DOS based system developed in 1985 that provides status information and generates payment information on highway construction projects. It requires an enormous amount of redundant data entry and has not kept current with changes in technology. Additional FTE may be required in 03-05.	07/99 to 03/05	$1,147,707
Document Management *Department of Transportation*	Establish an Electronic Document Management System (EDMS) for the DOT that allows files to be electronically stored, indexed, and retrieved. The system will include document imaging capabilities. Naming conventions and retention schedules are also a part of the project's scope. The document management system will be implemented in the Drivers License division during the 01-03 biennium and remaining divisions during the 03-05 biennium.	07/01 to 06/03	$659,765
CADD Engineering Tools *Department of Transportation*	Additional CADD (Computer Aided Drafting and Design) workstations and software are required to support the increase in construction projects. The additional workstations will be used by engineers in the district offices. There are presently about 100 design engineers using the CADD systems. These design tools are required to enhance the project design process and to improve the quality of the final design.	07/01 to 06/03	$423,800

Project / Agency	Project Description	Project Duration	Project Budget
Commercial Vehicle Information Systems and Networks (CVISN) *Department of Transportation*	One goal for the project is to expedite freight movement. This will be accomplished by letting safe legal carriers bypass scales and be subjected to fewer inspections. Freight movement will also be expedited because vehicles will be licensed faster electronically. Another project goal is to concentrate enforcement activities on problematic carriers. Information about carriers will be more current and consistent between jurisdictions. The CVISN project scope has 3 distinct program areas affecting DOT and Highway Patrol (HP); 1) Safety: vehicle inspections and federal reporting by the HP, 2) Credentialing: this includes the International Registration Plan, the International Fuel Tax Agreeement, Single State ICC Authority, and Over Size/Overweight Permitting, 3) Roadside enforcement: law enforcement access to data concerning a carrier via CVIEW (Commercial Vehicle Information Electronic Window). This is a joint DOT/HP development responsibility. Project has a 50% Federal match. Other states meeting full CVISN level 1 compliance have spent up to $5 million dollars.	07/01 to 06/03	$500,000
Global Positioning System (GPS) Tower *Department of Transportation*	This project converts the decommissioned USAF Ground Wave Emergency Network site to Nationwide Differential GPS site and ultimately increases GPS accuracy by providing differential correction. The original tower, built in 1961, is in close proximity to a new housing development. For safety reasons the DOT is removing the tower and building a new tower at an alternate location.	01/02 to 06/02	$420,000
Child Nutrition *Dept. of Public Instruction (DPI)*	DPI is implementing, in two phases, a comprehensive, web-enabled system that provides relevant real-time information to local and DPI users for the following federal programs: National School Lunch Program (NSLP), School Breakfast Program (SBP), Special Milk Program (SMP), Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), and Food Distribution Programs (FDP). The project is supported entirely by federal funds made available by USDA.	10/00 to 09/02	$275,000
Child Support (FACSES) *Department of Human Services*	This system is federally mandated by the Administration for Children and Families (ACF) and supports the North Dakota Child Support Enforcement Program. The overall project for this biennium is split into several smaller pieces, including; CSNET, website enhancements, voice response upgrade, distribution rewrite, NECSRS website, guideline calculations, web database on laws guidelines, web-voice response access, charging interest on child support debts, and record imaging.	07/01 to 06/03	$1,416,440
Health Insurance Portability and Accountability Act (HIPAA) *Department of Human Services*	HIPAA requires any health care provider or payer that stores, submits or processes health care data electronically to comply with various standards. Compliance is required if a state does not want to jeopardize federal Medicaid funding.	07/01 to 06/03	$8,055,347
NDWORKS *Job Service ND*	Implement "one-stop" employment services and the Workforce Investment Act legislation. Oracle Corp will customize the UWORKS software to meet the needs of JSND.	07/00 to 10/02	$3,727,632
Claims Center *Job Service ND*	Centralize the telephone filing of Unemployment Insurance claims within the central offices of JSND.	09/01 to 08/02	$1,729,255
ODIN *North Dakota University System*	Select and implement new library management software to provide operational support for library staff and access for the public to library materials of all types. This project provides for the continuation of library services to more than 50 libraries in the state.	02/02 to 12/03	$1,317,000
Systems Integration *Supreme Court*	Based on an analysis completed in the 97-99 biennium, this project implements solutions that allow for better data sharing within court systems, between court systems and other government entities, and between court systems and the public.	07/99 to 06/03	$686,287

Appendix B: Progress Report on ITD Performance Measures

	Measurement	Baseline (2001)	Current (July 2002)	Target
1	Percentage of strategic initiatives completed. 155 total initiatives in 2002 business plan.	2000 – 35% 2001 – 50%	21.9% w/6 months remaining	65%
2	Percentage of completed strategic initiatives meeting objectives.	* Not available for previous years.	100% w/6 months remaining	* 2002 will establish baseline.
3	Percentage of system availability. (Based on S/390 & AS/400 uptime)	98.82%	98.89%	98.90%
4	Percentage of ITD projects completed on schedule, within scope and budget. (2,503 Software Development projects)	* Not available for previous years.	76% on time 83% on budget	* To be developed; pending baseline.
5	Number of coordinated statewide initiatives.	6	8	Maintain / increase
6	ITD's compliance with legislative mandates.	100%	100%	100%
7	IT percent of overall state budget.	4.64%	4.64%	* monitor
8	Percent of large IT projects completed successfully.	100%	100%	100%
9	Number of web-enabled applications available to citizens.	19	33	* increase
10	Percent of reported problems resolved within Support Center (unassigned).	72%	66.2%	75%
11	Percent of reported & assigned problems responded to within one hour.	74%	87.5%	90%
12	Median time working hours required to resolve reported & assigned problems.	2.53	1.98	2.25
13	Percent of statewide IT budgets directed to ITD.	99-01 – 25% 01-03 – 31%	31%	* monitor
14	Customer satisfaction indexes (annual survey). Cost Timeliness Quality Knowledge Professionalism & Courtesy	% Satisfied / Very Satisfied 90% 96.3% 96.5% 97.6% 100%	% Satisfied / Very Satisfied 85.3% 94.9% 94.6% 95.9% 98.6%	92% 97% 97% 98% 100%
15	Voluntary employee turnover rate.	4%	2.4%	Maintain 4% - 6%
16	Average training hours and dollars spent per employee. Based on 208 FTE's	$2,000/fte	$2,700/fte	$2,000
17	Employee satisfaction index.	1.96	1.98	2.0

Appendix C: Information Technology Department Financial Statement

COMBINED STATEMENT OF NET ASSETS
JUNE 30, 2002 and 2001

ASSETS:	2002	2001
CASH DEPOSITS AT THE BANK OF ND	$2,127,934.13	$1,656,917.84
INTERGOVERNMENTAL RECEIVABLES	37,253.29	30,480.37
ACCOUNTS RECEIVABLE	16,677.16	45,892.88
DUE FROM OTHER FUNDS	2,669,862.53	2,948,077.38
PREPAID EXPENSES	305,775.10	611,550.19
CAPITAL ASSETS (NET OF DEPRECIATION)	3,959,500.90	4,659,707.37
TOTAL ASSETS	$9,117,003.11	$9,952,626.03

LIABILITIES:		
ACCRUED PAYROLL	$942,485.38	$819,120.75
ACCOUNTS PAYABLE	308,480.80	170,808.95
DUE TO OTHER FUNDS	6,621.69	5,870.64
NOTES PAYABLE	356,503.48	2,669,956.10
COMPENSATED ABSENCES PAYABLE	911,824.34	846,756.62
TOTAL LIABILITIES	$2,525,915.69	$4,512,513.06

NET ASSETS:		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	$3,921,513.48	$0.00
UNRESTRICTED ASSETS	2,669,573.94	5,440,112.97
TOTAL NET ASSETS	6,591,087.42	5,440,112.97
TOTAL LIABILITIES AND NET ASSETS	$9,117,003.11	$9,952,626.03

Appendix C: Information Technology Department Financial Statement

COMBINED STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2002 and 2001

	2002	2001
OPERATING REVENUE:		
CHARGES FOR SERVICES	$32,332,744.72	$30,793,503.86
OPERATING EXPENSES:		
SALARIES & BENEFITS	10,831,934.15	9,457,055.83
COMPENSATED ABSENCES	65,067.72	71,146.31
OPERATING	16,879,582.37	16,429,267.28
EXPENSED EQUIPMENT	923,777.20	169,309.08
AMORTIZATION	305,775.10	252,876.14
DEPRECIATION	2,582,501.33	3,124,295.49
TOTAL OPERATING EXPENSES	31,588,637.87	29,503,950.13
OPERATING INCOME (LOSS)	744,106.85	1,289,553.73
NON-OPERATING REVENUES and (EXPENSES):		
GAIN (LOSS) ON DISPOSAL OF EQUIPMENT	956.86	(27,602.17)
CUMULATIVE EFFECT OF CHANGE IN ACCTG PRINCIPLE	0.00	(1,506,866.89)
INTEREST EXPENSE	(44,364.26)	(180,693.16)
TOTAL NONOPERATING REVENUES (EXPENSES)	(43,407.40)	(1,715,162.22)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	700,699.45	(425,608.49)
TRANSFERS IN	450,275.00	0.00
CHANGE IN NET ASSETS	1,150,974.45	(425,608.49)
TOTAL NET ASSETS - JULY 1, 2001	5,440,112.97	5,865,721.46
TOTAL NET ASSETS - JULY 1, 2002	$6,591,087.42	$5,440,112.97

Financing Agreements: ITD entered into a financing agreement to fund the purchase of PeopleSoft software for ConnectND in May 2002, borrowing $4.9 million to support completion of the project. ITD made a payment of $150,000 in August 2002, and the balance will be paid in August 2003. Total interest paid will be $117,967.

ND Information Technology Department
2001-2002 Annual Report

"One thing North Dakota has always had to confront is our distance from the population centers. Technology eliminates that barrier, so we want to be very aggressive in using it."

Gov. John Hoeven

ITD
Information Technology
Department

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Bismarck, North Dakota
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